

Current report 28/2018

Report date: 10 September 2018

Issuer's abbreviated name: WIKANA

Subject: Financing secured for subsidiary's property development projects

Legal basis: Art. 17 sec. 1 MAR - inside information

Report content:

The Management Board of WIKANA S.A. ("Issuer") announces that on 10 September 2018 a subsidiary of the Issuer - WIKANA PRIM Sp. z o.o. BETA Sp.k., based in Lublin ("Borrower"), executed a PLN 19.4 million construction and mortgage credit agreement with mBank Hipoteczny S.A., based in Warsaw ("Bank"), ("Agreement") intended for the development of residential multi-family building B4 B5, with multi-spot underground parking lot, under a subsequent stage of the Osiedle Marina B investment in Lublin. An agreement concerning performance of construction work consisting of the development of this building was disclosed by the Issuer via current reports 21/2018 of 22 June 2018.

The final repayment date for the Credit Facility is 28 August 2022. Interest on the Credit Facility is variable and established based on WIBOR 3M plus bank margin. Collateral for the Credit Facility is as follows: joint contractual mortgage for up to nearly PLN 38.7 million on the properties on which building B4 B5 will be built, register and financial pledge on all shares in the share capital of the Borrower's General Partner, assignment to the Bank of rights under agreement with the general contractor and other construction contracts, together with a contract performance security and a declaration by the Borrower on voluntary submission for enforcement pursuant to art. 777 § 1, sec. 5 of the Polish Civil Procedure Code for up to nearly PLN 38.7 million until 31 August 2025.

In connection with the Agreement, the Issuer, the Borrower and the Borrower's General Partner executed a project support agreement with the Bank ("Support Agreement"), pursuant to which the Issuer and the Borrower's General Partner undertake towards the Bank to financially support the Borrower up to the amount of PLN 2 million if the Investment's expected costs are exceeded. In order to secure financial support for the Borrower, the Issuer and the Borrower's General Partner will jointly and severally submit for enforcement pursuant to art. 777 § 1, sec. 5 of the Polish Civil Procedure Code for up to PLN 2 million.

Other provisions of the Agreement, including those pertaining to termination, do not differ from the terms typically applied to this type of agreement.

At the same time, the Issuer clarifies that the Agreement constitutes an element of the growth strategy for the Issuer's Group's property development companies, aimed at securing an optimal financing structure for their on-going property projects.

Agnieszka Maliszewska

Vice-President of the Management Board

Paweł Chołota

Member of the Management Board